AMENDED IN ASSEMBLY MARCH 27, 2014

CALIFORNIA LEGISLATURE—2013-14 REGULAR SESSION

ASSEMBLY BILL

No. 2728

Introduced by Assembly Member Perea

February 21, 2014

An act to add Section 10170 to the Public Contract Code, relating to public contracts. An act to add and repeal Section 9400.5 of the Vehicle Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

AB 2728, as amended, Perea. Public contracts: public works: bids. Vehicle weight fees: transportation bond debt service.

Existing law imposes weight fees on the registration of commercial motor vehicles and provides for the deposit of net weight fee revenues into the State Highway Account. Existing law provides for the transfer of certain weight fee revenues from the State Highway Account to the Transportation Debt Service Fund to reimburse the General Fund for payment of debt service on general obligation bonds issued for transportation purposes. Existing law also provides for the transfer of certain weight fee revenues to the Transportation Bond Direct Payment Account for direct payment of debt service on designated bonds, which are defined to be certain transportation general obligation bonds issued pursuant to Proposition 1B of 2006. Existing law also provides for loans of weight fee revenue to the General Fund to the extent the revenues are not needed for bond debt service purposes, with the loans to be repaid when the revenues are later needed for those purposes, as specified.

This bill, notwithstanding these provisions or any other law, until January 1, 2019, would prohibit weight fee revenue from being

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transferred from the State Highway Account to the Transportation Debt Service Fund or to the Transportation Bond Direct Payment Account for the purpose of payment of the debt service on transportation general obligation bonds, and would also prohibit loans of weight fee revenue to the General Fund.

The State Contract Act provides a bidding process for public works projects, including the erection, construction, alteration, repair, or improvement of any state structure, building, road, or other state improvement of any kind that will exceed a total cost calculated, as provided, and generally requires a contract to be awarded based on best value or lowest responsible bid.

This bill would revise the calculation of the bid price, by excluding from that price, amounts equal to the sum of sales tax reimbursement and use tax.

Vote: majority. Appropriation: no. Fiscal committee: no-yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 9400.5 is added to the Vehicle Code, to 2 read:
- 3 9400.5. (a) Notwithstanding Sections 9400.1, 9400.4, and
- 4 42205 of this code, Sections 16773 and 16965 of the Government
- 5 Code, Section 2103 of the Streets and Highways Code, or any
- 6 other law, weight fee revenue shall not be transferred from the
- 7 State Highway Account to the Transportation Debt Service Fund
- 8 or to the Transportation Bond Direct Payment Account for the
- 9 purpose of payment of the debt service on transportation general 10 obligation bonds, and shall not be loaned to the General Fund.
 - (b) This section shall remain in effect only until January 1, 2019, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2019, deletes or extends that date.
- SECTION 1. Section 10170 is added to the Public Contract
 Code, to read:
- 16 10170. For purposes of awarding a contract to the lowest
- 17 responsible bidder under this chapter, the bid price shall be reduced
- 18 by the amount equal to the sum of sales tax reimbursement and
- 19 use tax imposed by Part 1 (commencing with Section 6001) of
- 20 Division 2 of the Revenue and Taxation Code.

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